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Canada

Overview of the Food and Beverage Industry in the Southeast United States

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EXECUTIVE SUMMARY

For this report, the Southeast United States consists of the States of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee, as well as Puerto Rico and the U.S. Virgin Islands. The Southeast States represented more than 17% of the total U.S. population in 1999 with 47 million people and 19% of U.S. supermarket sales equivalent to US$68.4 billion.

Canadian agri-food exports to the Southeast States totalled $1.17 billion in 2000. Florida continues to be the biggest importer of these products with more than $352 million or 30% of the Southeast States' imports. The State of Georgia is ranked second with approximately $280 million, followed by North Carolina with $200 million. In contrast, import levels of agri-food exports from Canada were valued at less than $200,000 in 1991 for the combined Southeast States. The most significant Canadian agri-food exports to this region in terms of value include beef cuts, whiskies, sweet biscuits, crude and refined canola oil, and pork.

Consumers in the Southeast are interested in convenient products that provide variety and reflect their busy lifestyles. Home meal replacements, ethnic foods, foodservice and private label products are increasingly in demand. Product assortments in retail outlets are on the rise in response to consumer demand, creating opportunities for niche products.

The major food distributors of the Southeast U.S. include Publix Super Markets, Winn-Dixie, Delhaize America Inc., and Harris-Teeter. Florida, North Carolina and Georgia are the biggest markets in terms of annual grocery sales in this region. Important industry trends include consolidations, online shopping and e-commerce, and the growth of supercentres such as SuperTarget and Wal-Mart.

The Southeast U.S. region's economy is expanding quickly with sectors such as telecommunications, biotechnology, and high technology leading the way. Population growth rates are increasing, especially as an important proportion of Americans move to warmer climates. A strong Hispanic influence is also present in this region.

The Southeast market is comparatively distant and culturally different from Canada, and in general, less well informed about Canada and Canadian capabilities. Consequently, Canadian exporters must devote greater marketing resources to successfully establish a presence in this region. To ensure success in this market, Canadian exporters need to develop aggressive marketing and pricing strategies to create market awareness, build brand loyalty, and develop sustainable sales levels. Manufacturers who can facilitate the industry's attempt to provide restaurant quality, reasonably priced ready to eat food will find a market in this region.

The Southeast region represents an important gateway to Central and South American markets with States such as Florida and Mississippi acting as a springboard and trans-shipment point for exports destined for that region.

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MARKET OVERVIEW

For this report, the Southeast United States consists of the States of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee, as well as Puerto Rico and the U.S. Virgin Islands. This area constitutes the Southeast region according to the Canadian Trade Commissioner Service of the Department of Foreign Affairs and International Trade. The Southeast States represented 17% of the total U.S. population in 1999 with 47 million people and 19% of U.S. supermarket sales equivalent to US$68.4 billion. Canadian agri-food exports to this region totalled more than $1.17 billion in 2000 or 8% of the U.S. total. Florida continues to be the biggest importer of these products with more than $352 million or 30% of the Southeast States' imports. The State of Georgia is ranked second with more than $280 million, followed by North Carolina with $200 million. In contrast, import levels of Canadian agri-food products were valued at less than $200,000 in 1991 for the combined Southeast States. With a population of approximately 3.9 million people, Puerto Rico imported more than $125 million worth of Canadian agri-food products in 2000, while the U.S. Virgin Islands imported $2.3 million.

The Southeast U.S. States are considered the leaders in the U.S. for six major retail segments, which include food, apparel, automotive, furnishings, pharmaceuticals and leisure. In 1999, overall Canadian exports to the Southeast U.S. exceeded $22 billion, which represents three times the level of exports to Japan, Canada's second-largest national export market. In the area of Canadian agri-food products, Japan imported a total of $2 billion worth of products in 2000, the European Union imported $1.1 billion, and China imported $687 million.

Population and Food Consumption Trends

The current population of the Southeast U.S. States is approximately 49.2 million people. Population growth is on the rise in this region with projections totaling more than 55 million by 2015. Florida and Georgia are expected to grow by as much as 15.7% and 12.4% respectively by the year 2015. This strong growth can be partly attributed to retiring baby boomers seeking warmer climates in these States. According to the U.S. Census Bureau, the South and West States will experience the strongest increase in population up to the year 2025. In fact, Florida is expected to surpass New York as the third most populous State by the year 2020. Major distribution centres in the Southeast region include Atlanta, GA (5.1 million people), Birmingham, AL (5.2 million), Charlotte, NC (13.2 million), Columbia, SC (4 million), Jacksonville, FL (3.6 million), Memphis, TN (6.8 million) and Nashville, TN (5.3 million), as well as San Juan, Puerto Rico (3.9 million).

The Southeast States consisted of more than 17.8 million households in 1998. The average per-capita personal income in 1999 was US$24,703, slightly lower than the U.S. average of US$28,542. As for the country in general, the median age for this region has been increasing over the last ten years. On average from

1990 to 1999, the median age for the Southeast U.S. has increased from 32.9 to 35.7 (8.5%), which is equivalent to the changes in the U.S. in general.

The aging population is an important consideration for predicting changing eating patterns, as these will likely reflect higher demands for healthy foods in the coming years. This change must also be considered in the area of food label design, which will need to be clear and readable. Individuals over 50 represent an important target for food manufacturers, as they are generally ready to pay a higher price for high quality food products and hold approximately 77% of the country's financial assets. Table 1 presents an overview of the population and retail sales for the Southeast U.S. States.

Table 1. Distribution of population and retail food sales in Southeastern U.S

State/Region	Population (In US$ thousands)			Supermarket sales (In US$ millions)	
	2000	2015	% change	1999	% of US
Alabama	4,447	4,956	11.4%	6,003	1.6%
Florida	15,982	18,497	15.7%	22,565	6.1%
Georgia	8,186	9,200	12.4%	11,282	3.0%
Mississippi	2,844	3,035	6.7%	3,401	0.9%
North Carolina	8,049	8,840	9.8%	11,655	3.2%
South Carolina	4,012	4,369	8.9%	6,072	1.7%
Tennessee	5,689	6,365	11.9%	7,433	2.0%
United States	281,422	309,443	9.9%	365,441	

Sources: U.S. Bureau of Census and Progressive Grocer's Marketing Guidebook 2001.

The percent Hispanic population is very significant in the State of Florida (15.4% compared to the U.S. proportion of 11.5%). Hispanic consumers tend to outspend other American households by more than US$26 per month on groceries. This is attributed to less spending on eating out, more preparation of meals from scratch and bigger households. The Southeast U.S. is expected to experience an important growth in immigration, which is predicted to account for two thirds of the population growth in the next 50 years.

Consumer Preferences and Current Industry Trends

Increasing demand levels are emerging in the Southeast U.S. market for foodservice, prepared and frozen foods, as well as private label products. Eating outside the home is increasingly popular and demand is growing for unique food options such as new varieties of appetizers. It is expected that the growth of U.S. food sales for the period 1995-2005 will consist almost entirely of foodservice products such as ready-prepared meals and home meal replacements consumed at home or on the go.

As major U.S. suppliers concentrate on the mega-chains, smaller chains require a new source of high quality food products. Overall, U.S. consumers' food spending in traditional grocery outlets is expected to fall from 40% in 1995 to 36% by 2005 while commercial foodservice is expected to grow from 35% in 1995 to 41% by 2005. The Southeast U.S. is considered one of the most promising areas in the U.S. for developing opportunities in the foodservice industry.

Consumers are creating high demand levels for convenience and high quality food to counter their increasingly hectic lifestyles. Americans are demanding variety, which includes Asian and other ethnic foods. The average U.S. consumer is also increasingly interested in lower food prices and healthy food products, including organic foods. Overall, it is expected that supermarkets could gain up to 10% in sales through organic foods. In 1998 alone, organic food sales in the U.S. increased by 18% to reach US$2.1 billion. Organic foods in the Southeast U.S. are found in mainline supermarkets as well as specialized stores such as Whole Foods Market, which is headquartered in Austin, Texas. This company operates 121 stores in 22 U.S. States, including 5 locations in Florida, 2 locations in Georgia, and 5 locations in North Carolina. Whole Foods carries its own private label products and also operates an online retail Web site. The Southeast Region of the National Nutritional Foods Association is a promoter of optimum health products serving the States of Alabama, Florida, Georgia,

Mississippi, North Carolina, South Carolina, and Tennessee, as well as Puerto Rico. It is a non-profit association for retailers, manufacturers, distributors and brokers in the health food industry. In addition, kosher foods have been growing in popularity, especially in the State of Florida. Consumers are interested in purchasing kosher foods for health and food safety reasons, as well as traditional purposes. Florida now counts more than 450 companies that are currently producing or selling kosher foods. Consumers can quickly identify kosher foods because of the "Kosher from Florida" logo identification program, which is endorsed by the Rabbinical Association of Greater Miami.

In the area of bulk and intermediate products, the Southeast U.S. imported more than $990 million worth of Canadian agri-food products in the year 2000. Bulk agricultural products include those commodities that have received little or no processing, such as wheat, corn, barley, and soybeans. Value-added intermediate products include wheat flour, vegetable oils, and hides. These products receive some processing, but are generally not yet ready for final consumption. High-value consumer-oriented products such as foods and beverages, are products that are generally ready for final consumption at either the food retail or food service level. Crude and refined canola oil, live swine, and vegetable fats and oils are some of the most important Canadian agri-food intermediate products imported by the Southeast U.S. Wheat, flax, tobacco and soybeans, are the biggest bulk imports to this region, while beef cuts, whiskies, sweet biscuits, frozen pork, and frozen french fries are the most significant imports in the area of consumer-oriented products.

Progressive Grocer's Marketing Guidebook for 2001 points to the top ten areas of anticipated action for the food and beverage industry. In order of priority, these are: focus on private label, stress category management, stress efficient assortment, tighten standards in deal buying, improve merchandising co-operation with manufacturers, stress company web site, operate with lower total inventory, increase minimum item movement standards, stress ready-to-eat meals, and continue work on efficient consumer response. A few of these trends and areas of interest are described below.

Private labels: These offer premium products as well as quality levels consumers can trust, while providing retailers with higher margins. American retailers are currently developing their own upscale products, which are experiencing strong sales. However, they still lag behind the Canadian market and its high quality product range. The competitiveness of private label products in the United States over the past few years have more American consumers believing that store brands are of at least equal quality with branded goods. As consumers become more price-sensitive and retailers look for ways to reduce costs by shortening the distribution chain, demand for private labelling should increase. According to Just-food.com, the overall U.S. market for private labels represents US$48.6 billion, an amount that could reach US$67 billion by 2004. The biggest growth in the private label industry has been for chilled/deli category foods due to high investments in perishable products, which is a critical area to build brand loyalty. Retailers rely on private labels to differentiate their products from those of the competition, as well as from national brands.

E-commerce: Retailers, wholesalers, and manufacturers are increasingly interested in the potential for e-commerce, including the business-to-consumer (B2C) and business-to-business (B2B) segments as new avenues for growth. Even if the dot-com invasion still remains to materialize into large profits, it represents one of the most significant trends in the food industry. The click-and-mortar retail approach is especially high on the list of priorities for wholesalers. Overall, online grocery retailing is expected to reach US$20 billion by 2010, or 5% of the total industry volume. It is also expected that intense consolidation between grocers offering online services will increase in the near future to minimize shipping and distribution costs. In the area of B2B, Progressive Grocer estimates that by 2003 25% of all U.S. transactions will be done online. This could translate to a transaction value of up to US$2.8 trillion, while B2C could reach US$108 billion. The grocery industry will primarily focus on B2B initiatives in order to streamline the supply chain, while also developing B2C capabilities to promote stores, products and community-oriented events.

Category Management: The food industry in the U.S. is placing increasing emphasis on the importance of category management. The 2001 Marketing Report produced by Progressive Grocer estimates that 67.3% of chains, 53.6% of independents, and 71% of wholesalers see their companies moving towards category management. Retailers view their relationships with manufacturers as playing a key role in the overall success of their category management initiatives. Canadian companies interested in selling products into the U.S. market should keep this trend in mind. The services that a manufacturer can offer to help manage and grow categories and achieve logistics-based efficiencies are becoming as important as the products they supply.

The most important area of concern for the food industry, which has emerged in the last year, is the significant shortage of labour. This represents a greater threat than the competition arising from other channels of trade. Specialized and high-quality employees have been difficult to recruit and retain, creating operational difficulties for wholesalers, chains, and independents. Information systems specialists are especially sought after as retailers develop and implement their e-commerce strategies. Supermarket competition is the second area of concern for chains and wholesalers, while independents and manufacturers are most concerned by labour costs.

Economic Overview of Southeast U.S. Region

Alabama

Alabama's most important economic activity is manufacturing. Leading areas are paper products, chemicals, textiles and primary metals. This State is an important coal producer, as well as a natural gas and livestock producer. Two thirds of Alabama's gross state product (GSP) is obtained from the services sector, such as government, transportation, communication and utilities. Industry represents 27% of GSP, while agriculture represents 3%.

Florida

Florida currently ranks second in the country's employment increases with a GSP that is expected to have increased by 4.2% in 2000. Florida's economy is thriving due to its activities in domestic and international industrial and commercial trade. It is currently the State with the highest number of incorporations in the U.S. The diverse Florida economy includes a strong manufacturing industry producing electronics, lasers, automotive parts, aviation and avionics, boats, medical equipment and computers. Newer industries such as biotechnology, and simulation technology are also emerging in this State.

Florida is the most important customer for Canadian exporters in the Southeast region. It boasts large consumer bases with established distribution infrastructure and marketing operations. It also serves as a major gateway for other markets including Caribbean and Latin American countries due to geographical proximity. The Caribbean marketplace is changing as the food industry consolidates and international companies compete with local companies. Most every day products must be imported to serve both the tourist and the local population. Central America is an important U.S. trade partner with trade amounting to approximately $20 billion every year. These countries are moving rapidly toward integration, adopting free market and investment liberalization policies. Florida is becoming increasingly appealing as a trans-shipment point for merchandise trade with Latin America and the Caribbean. In fact, more than 40% of all U.S. exports to these countries go through the Miami Customs District. Florida is also a key target market for Canadian exporters wishing to reach the Canadian vacationers in that State.

According to AC Nielsen Scantrack®, the Miami market is ranked tenth in the U.S. for population with 1.95% of the national total. It also includes 2.05% of the Nation's households and 1.6% of supermarkets. *Miami is the sales and distribution centre for food and beverage products transiting through the Americas. Over $1.4 trillion is spent annually on these markets. Over 2000 distributors use its ports and 33% of all international trade in the Western Hemisphere is controlled by Miami.*

The Tampa market is ranked fifteenth with 1.63% of the population, 1.82% of households, and 1.72% of supermarkets. In comparison, New York, the largest market in terms of population, represents 6.8% of the national population, 6.65% of households, and 5.69% of supermarkets.

Georgia

Georgia is expected to have had the fastest growing GSP in the Southeast U.S. in 2000. Its economy depends in part on agricultural products such as peanuts, cotton, pecans and poultry for which the State is a leading producer. The State is also characterised by well-developed manufacturing and services industries. Atlanta

represents an important test market for B2B services such as software and telecommunications applications. Georgia also boasts a growing high-tech industry.

North Carolina

This State represents the country's highest concentration of top textile manufacturers with production of cotton and synthetic fabrics, yarns, threads, knitted goods, apparel, and hosiery. North Carolina is also an important centre for wood furniture production with over 60% of the country's total manufacturing. The State is the leader in tobacco production and is home to an emerging wine industry. The market area of Raleigh-Durham is ranked twenty-first in terms of national population. It also represents 1.84% of the total number of supermarkets in the U.S.

South Carolina

South Carolina's location and easy market access makes it an ideal location for business expansion. Approximately 8.7 tons of cargo is handled every year in South Carolina's three main ports at Charleston, Georgetown and Port Royal. Tire manufacturing and non-residential construction are important elements of the State's economy along with its major export products, which include chemicals and non-electric machinery.

Mississippi

Due to its geographical location, Mississippi is an important manufacturing and distribution centre with close ties to major markets in Canada, the U.S., Mexico and the Caribbean. A well-established highway system and port facilities ensure good distribution. The State's economy also revolves around forestry products, agriculture and the food processing industry. Potential opportunities for Western Canada and the Maritimes exist in the growing aquaculture industry. A telecommunications centre and telecom industry is developing quickly in the State capital of Jackson.

Tennessee

Tennessee's location ensures that it is only at a day's drive to 76% of the U.S. major markets, with the second largest port located in Memphis. Health care companies and services represent one of this State's fastest growing sectors.

Puerto Rico

Puerto Rico is an important exporter of pharmaceutical products, chemicals, equipment and food products. Its exports to Canada have increased by more than 200% following the implementation of NAFTA. Puerto Rico imports large quantities of food products from Canada such as vegetables and wheat. It also imports forest products and chemicals. Puerto Rico's gross national product (GNP) is estimated to be growing much more rapidly than its population, and the GNP per capita is one of the highest in the Caribbean. Manufacturing, trade, and financial services are the major components of the GNP and the largest employers. Once the centre of the economy, agriculture now accounts for a small proportion of the GNP. The most important agricultural products include sugarcane, coffee, tobacco, starchy vegetables, pineapples, and citrus fruits, as well as livestock farming. The majority of Puerto Rico's trade is with the United States.

U.S. Virgin Islands

This area is a large exporter of personal and household goods to Canada including watches, clocks, jewellery, and silverware. Canada supplies the U.S. Virgin Islands with agricultural products such as dairy products, eggs, honey and whisky, as well as machinery, forest products, and telecommunications equipment. The most significant economic activity is tourism, which represents more than 70% of GDP and 70% of employment. It also includes a manufacturing sector concentrating in textiles, electronics, pharmaceutical products, and watch assembly plants. The U.S. Virgin Islands have limited agricultural production making imports essential.

Canadian agriculture and agri-food exports to the Southeast U.S. Region

Total Canadian agri-food exports to the Southeast U.S. States amounted to more than $1.17 billion in 2000. Florida continues to be the largest importer of these products with more than $352 million or 30% of the region's Canadian agri-food imports in 2000. The State of Georgia is ranked second with more than $280 million, followed by North Carolina with $200 million in 2000.

The overall trend in export growth for this region seems to indicate an increasing number of opportunities for Canadian products in this market. Canadian agri-food import levels have grown by almost 500% from less than $200,000 in 1991.

The majority of Canadian agri-food products exported to this region are consumer-oriented. These products represented more than $900 million or 80% of total exports in 2000.

The top agri-food products exported from Canada to this region are included in table 2.

Some of these products have been experiencing significantly increasing export levels for the period 1997 to 2000 including sweet biscuits, refined canola oil, beef cuts, mixes and dough, frozen fries, and crackers.

Table 2. Top 10 Canadian Agri-Food Exports to the Southeast U.S. for 1997-2000

Products	Export Value (in CAD$)	Percent of Total Exports
1. Beef cuts, boneless, fresh or chilled	545,824,337	13.6
2. Whiskies	417,189,312	10.4
3. Sweet biscuits	177,825,751	4.4
4. Canola oil, crude	171,933,449	4.3
5. Wheat	142,786,520	3.6
6. Pork cuts, frozen	137,365,645	3.4
7. Frozen fries	127,908,560	3.2
8. Canola oil, refined	113,480,794	2.8
9. Crackers	108,503,746	2.7
10. Mixes and doughs	78,983,535	2.0

Source: Canadian Agri-Food Trade System, Agriculture and Agri-Food Canada and Statistics Canada

The distribution of these products can be further broken down according to State to analyse the proportion of exports that are destined to each particular market. Table 3 presents the cumulative top ten exports for the States of Florida, Georgia, and North Carolina for the period 1997-2000.

Table 3. Top 10 Canadian Agri-Food Exports to Selected States for 1997-2000

Products	Export Value (in CAD$) Florida	% of Total for area	Export Value (in CAD$) Georgia	% of Total for area	Export Value (in CAD$) North Car	% of Total for area
1. Beef cuts, boneless, fresh or chilled	210,946,680	38.6%	86,184,505	15.8%	119,840,640	22.0%
2. Whiskies	124,149,496	29.7%	58,777,074	14.0%	49,105,378	11.8%
3. Sweet biscuits	52,969,725	29.8%	42,167,419	23.7%	30,474,319	17.1%
4. Canola oil, crude	585,861	0.34%	6,022,213	3.5%	24,050,047	14.0%
5. Wheat	57,824,086	40.3%	10,491,012	7.3%	20,797,929	14.6%
6. Pork cuts, frozen	85,736,775	62.4%	46,399,504	33.8%	3,011,645	2.2%
7. Frozen fries	26,968,225	21.1%	52,331,891	40.9%	43,849,141	34.3%
8. Canola oil, refined	3,416,560	0.30%	11,799,303	10.4%	3,085,479	2.7%

9. Crackers	29,704,213	27.4%	41,448,525	38.2%	20,618,601	1.9%
10. Mixes and doughs	12,359,875	15.6%	31,472,917	39.8%	2,573,803	3.3%

The proportion of Canadian agri-food exports to the Southeast region compared to the total exports of these products to the U.S. is illustrated by the following graph:

Canadian agri-food exports to Puerto Rico totalled more than $125 million in 2000. Overall, Canadian agri-food exports to Puerto Rico have increased 3-fold for the period 1997 to 2000. The value of the top exports to this area are included in table 4.

Table 4. Top Canadian Agri-Food Exports to Puerto Rico for 1997-2000

Products	Total Exports for 1997-2000 (in CAD$)
Frozen Fries	93,335,920
Wheat	61,552,496
Fresh Potatoes	47,784,469
Frozen Pork Cuts	26,312,387
Milk	22,543,675
Corn Bran	18,965,732
Fresh or Chilled Onions	14,617,364
Mineral Water - unsweetened	11,037,237
Corn Seed	10,062,761
Soybeans	8,326,554

Source: Canadian Agri-Food Trade System, Agriculture and Agri-Food Canada and Statistics Canada

The U.S. Virgin Islands imported $2.3 million in Canadian agri-food products in 2000. The top exports to this region for the 1997 to 2000 period were milk powder (less than 1.5% fat), milk and cream powder (more than 1.5%), whiskies, sweetened and unsweetened milk and cream, and butter.

RETAIL GROCERY INDUSTRY

This industry is characterized by large corporate chains, which create strong buying power, significant support systems and name recognition. Small chains and independent stores also represent an important share of the market. These smaller operators are often linked to voluntaries or cooperatives who work together to increase their power through numbers.

The U.S. grocery industry is evolving rapidly as consumers continue to demand improved convenience in store location, more in-store amenities, more prepared foods, and improved service quality. The home meal replacement industry has become a major trend in the U.S. with nearly all market players exploring ways to provide fully prepared meals. Significant growth in the frozen food sales also indicates the increasing demand for convenience. In addition, the Internet is becoming a new and growing marketplace. Consumers are drawn to the accessibility and convenience of on-line shopping. More traditional chains that are now introducing e-commerce to keep up with competition and demand have noticed the expanding popularity of on-line vendors such as WebVan.

The Southeast U.S. region's grocery industry has been gaining momentum due to the area's growing Gross Regional Product, which has been rising on an annual basis from 3% in 1995 to nearly 8% in 2000. This region accounts for approximately 20% of the country's grocery sales, with Florida, North Carolina and Georgia leading the way. Notable trends in this industry include consolidations, the growth of supercentres, online shopping and e-commerce, and ethnic foods. Consolidations have taken place between major wholesalers, food brokers, and large supermarket chains. In 1996, grocery products accounted for approximately 40% of supercenter sales in the U.S. This is expected to reach 50% by 2001. Traditional supermarkets, particularly

independents may be the most vulnerable players facing competition from supercentres and membership club stores such as PriceCostco.

Major Food Retailers

The Southeast States are home to 9 of the top 100 food retailers in the U.S., including Publix Super Markets Inc (Lakeland, Florida), Winn-Dixie Stores Inc. (Jacksonville, Florida), Delhaize America Inc. (Salisbury, North Carolina), Bruno's Supermarkets Inc. (Birmingham, Alabama), Harris-Teeter Inc. (Matthews, North Carolina), Ingles Markets Inc. (Black Moutain, North Carolina), Jitney Jungle Stores of America (Jackson, Mississippi), Lowes Food Stores Inc. (Winston-Salem, North Carolina), and Super Discounts Markets Inc. (Lithia Springs, Georgia). Among these, Winn-Dixie Stores is ranked sixth in terms of sales levels, Publix Super Markets is seventh, Delhaize America is eighth and Harris-Teeter is twentieth.

Winn-Dixie Stores Inc. includes 1,182 supermarkets (541 conventional supermarkets) and marketplace superstores (641 stores) that are located in14 States including Florida, Georgia, North and South Carolina, Alabama, Mississippi, and Tennessee. The company also operates 20 facilities that produce or process such products as coffee, tea, spices, carbonated and non-carbonated drinks, crackers, corn snacks and cookies, frozen pizza, sausage, luncheon and smoked meats, mayonnaise and salad dressing, preserves and peanut butter, eggs and dairy products. Winn-Dixie Stores reached sales of US$14.1 billion in 1999. Winn-Dixie and Publix have both been expanding their market share in the Southeast region. Winn-Dixie has closed a number of stores in North Carolina as part of its corporate re-alignment but remains a major player.

Publix Super Markets Inc. is a major player in this region with 649 stores of which 508 are located in Florida, 114 in Georgia, 23 in South Carolina, and 4 in Alabama. Annual sales in 1999 amounted to US$13.1 billion. Publix is the largest employee-owned supermarket chain in the United States. It is also the sixth largest in terms of volume and is quickly gaining market share in the Southeast. It carries the following private label lines: Breakfast Club, Publix, and Publix Premium. Publix will be launching its own online shopping and home delivery Web site entitled PublixDirect in September 2001.

Delhaize America Inc. includes the following subsidiaries: Food Lion, Kash n' Karry, Hannaford, and Shop n' Save. In total, this company operates 1,426 supermarkets in 16 States from Maine to Florida. These include conventional supermarkets, superstores, and warehouse stores. Overall sales in 1999 reached US$10.2 billion.

Harris-Teeter is also expanding in this region. It promotes private label products under the brand names Premier Selection, HT Traders, Harris Teeter and Hunter Farms. This retailer operates in North Carolina, South Carolina, Virginia, Georgia, Tennessee, and Florida. In addition to160 retail stores, Harris-Teeter also has grocery, frozen food, and perishable distribution centers in Greensboro and Indian Trail, NC, and operates the Hunter Farms milk facility in Charlotte, NC, and the Hunter Farms milk and ice cream facility in High Point, NC. Total sales in 1999 amounted to US$2.2 billion.

Key Sub-Markets

The key food distribution areas in the Southeast U.S. include Atlanta, Birmingham, Charlotte, Columbia, Jacksonville, Memphis, and Nashville, as well as San Juan, Puerto Rico.

Atlanta: Located in the north-west area of Georgia, Atlanta is home to more than 5.1 million people, of which the largest proportion (17%) are in the age group 35 to 44. Atlanta is ranked eleventh in the country for population with 1.88% of the total level. The median household income in this market is US$49,000. Atlanta holds 2% of the national number of supermarkets, 2.31% of C-Stores, and 2.33% of mass merchandising stores. Approximately 82% of food stores in this market are chains while 18% are independents. Supermarket food and beverage sales for this sub-market in 2000 totalled US$2.7 million. The biggest players in this market are Kroger with 31% of the retail share, followed by Publix Super Markets (22% share), Supervalu (9% share), and Winn-Dixie Stores (6%). All but the latter are served by their own distribution centre within the Atlanta market area. These distribution centres control about 62 percent of total retail sales in the area, as well as serve stores outside the market area.

The Atlanta market is expected to grow significantly in the next five years both in population levels and food sales. In fact, its share of the total U.S. population is projected to increase by 11.7% from a current level of about 2%. According to the 2001 edition of Market Scope, Atlanta had total sales of edible grocery goods of more than US$1.3 billion, frozen foods sales of US$368 million, bakery sales of US$150 million, dairy sales of US$500 million, and deli meat sales of US$135 million. Table 5 illustrates the sales levels of the top products (according to category) that exhibited above national average performance according to a supermarket index published by Trade Dimensions.[1] Products that had a supermarket index below average in this market included pasta, stuffing mixes, instant tea mixes, frozen juices, bakery snacks, butter, cottage cheese, and desserts.

Table 5. Performance of Top Food Products in the Atlanta Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Flour/Meal	63%
	Entrees/side dishes	42%
	Isotonics	39%
	Meat - fresh	34%
	Evaporated/Condensed Milk	24%
	Salad Toppings	24%
	Snack nuts/Seeds	24%
	Sugar	24%
	Coffee creamers - shelf stable	22%
	Sauces	22%
	Baby Formula	20%
	Baked Beans	20%
	Breakfast Food	19%
	Snack Bars/Granola Bars	19%
Frozen Foods:	Dough	92%
	Corn on the cob	57%
	Pies	41%
	Prepared vegetables	31%
Dairy Products:	Spreads	59%
	Tortilla/Eggroll/Wonton Wrap	58%
	Salad dressings	50%
	Dough/Biscuit Dough	34%
Deli Meats:	Breakfast meats	19%
Alcoholic Beverages:	Wine	47%

Source: Trade Dimensions, 2001

Birmingham: This market consists of 5.2 million people, with 15% in the 35 to 44 age bracket. Birmingham is located in the north-central region of Alabama. The median household in this market is US$34,000. Food stores in this market include 76% chains and 24% independents. The biggest retailers are Winn-Dixie Montgomery (23%), Brunos (19% share), Wal-Mart Supercenter (15%), Piggly Wiggly (6%), and Mitchell Grocery Corp. (5%). Nearly 70 percent of the retail sales are supplied through distribution centres within the market area. Wal-Mart is the only one of the major players relying on an out-of-market distribution centre.

Edible grocery sales in 1999 totalled US$1.2 billion, frozen products US$310 million, Bakery goods US$137 million, dairy products US$426 million, deli products US$153 million, and alcoholic beverages US$147 million. Products that had a low supermarket index in this market include, bottled water, dry fruit snacks, juices, Mexican foods, rice/popcorn cakes, stuffing mixes, snack bars/granola bars, frozen meat, pasta, frozen seafood, and cottage cheese. Table 6 indicates the top performers according to category.

Table 6. Performance of Top Food Products in the Birmingham Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Flour/Meal	149%
	Meat - fresh	112%
	Sugar	74%
	Salad Toppings	65%
	Baked Beans	59%
	Sauces	58%
	Dry beans/vegetables	49%
	Coffee creamers	48%
	Evaporated/Condensed Milk	38%
	Vegetables	34%
	Shortening and oil	29%
	Baby Formula/Electrolytes	28%
	Mustard and Ketchup	26%
	Breakfast Food	25%
	Dinners	25%
	Cocktail mixes	24%
	Mayonnaise	23%
	Baking mixes	22%
Frozen Foods:	Dough	127%
	Corn on the cob	110%
	Pies	96%
Dairy Products:	Dough/Biscuit Dough	58%
Deli Meats:	Luncheon Meats	56%
	Breakfast Meats	55%
	Dinner Sausage	44%
Alcoholic Beverages:	Beer and Ale	20%

Source: Trade Dimensions, 2001

Charlotte: The Charlotte market area includes 4.8% of the U.S. total population or 13.2 million people. The majority of the population is aged between 35 and 44. More than 91% of stores are chains and only 9% are independents in this area. The median household income amounts to US$39,000. The major retail players include Food Lion Stores with a cumulative market share of more than 32%, Richfood Inc. with 7%, Merchants Distributors Inc. with 7%, and Bi Lo Inc. with 5%. Almost all are serviced by in-market distribution centers. These centers supply about 85 percent of the market as well as a significant number of supermarkets outside the market area.

Edible grocery sales totalled US$772 million, frozen products US$198 million, Bakery goods US$85 million, dairy products US$253 million, deli products US$84 million, and alcoholic beverages US$116 million. Products that have a low supermarket index in this market include, bottled water, dry fruit snacks, Mexican foods, pasta, oriental food, frozen juices, cottage cheese, dips, salad dressing, and yogurt. Table 7 indicates the top performers according to category.

Table 7. Performance of Top Food Products in the Charlotte Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Meat - fresh	93%
	Flour/Meal	84%
	Baked Beans	48%
	Sugar	43%
	Pizza Products	42%
	Evaporated/Condensed Milk	41%
	Vegetables	36%
	Salad Toppings	24%
	Coffee Creamers	24%
	Dinners	22%
	Breakfast Food	20%

Frozen Foods:	Corn on the cob	73%
	Pies	64%
	Dough	40%
	Prepared Vegetables	25%
	Poultry	20%
	Desserts/Toppings	20%
Dairy Products:	Spreads	117%
	Tortilla/Eggroll/Won Ton Wrap	41%
	Dough/Biscuit Dough	39%
	Pizza	29%
Deli Meats:	Luncheon Meats	61%
Alcoholic Beverages:	Beer and Ale	52%

Source: Trade Dimensions, 2001

Columbia: This market has a population of approximately 4 million people, with the majority aged between 35 to 44. Columbia is located in the central area of South Carolina. Its median household income is about US$37,000. Its supermarkets are composed of 89% chains and 11% independents. Among these, the major retailers are Bi Lo Inc. with 22% market share followed by Food Lion Stores with 16%, Wal Mart Supercentre with 13%, Piggly Wiggly with 12%, Kroger with 7%, and Winn-Dixie with 7%. Only Bi Lo and Piggly Wiggly are served by in-market distribution centers. Information on product performance is not available for this sub-market.

Jacksonville: The population of Jacksonville totals more than 3.6 million with the majority aged 35 to 44 and closely followed by children aged 6 to 13 years old. The median household income is slightly lower at US$33,000. More than 92% of supermarkets in this market are chains, while only 7% are independents. Publix Super Markets and Winn-Dixie Stores are head to head in Jacksonville at about 28% market share each. They are followed by Food Lion Stores at 9%, Wal Mart Supercenter at 9%, and J H Harvey Co. at 6%. In-market distribution centers of all but Food Lion and Wall Mart supply over 70 percent of the retail market as well as service other market areas.

Low performing products in this market include Mexican foods, frozen juices, pasta, pies and cakes, bakery snacks, dips, and yogurt. Overall sales of edible grocery products total US$547 million, frozen products US$150 million, bakery goods US$50 million, dairy products US$200 million, deli meats US$51 million, and alcoholic beverages US$95 million. The best performing products are included in Table 8.

Table 8. Performance of Top Food Products in the Jacksonville Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Baked Beans	22%
	Bottled Water	26%
	Coffee Creamers	26%
	Dip - shelf stable	34%
	Entrees/Side Dishes	44%
	Isotonics	62%
	Meat - fresh	22%
Frozen Foods:	Baked Goods	36%
	Corn on the cob	55%
	Meat	29%
	Pies	38%
	Pot Pies	20%
	Prepared Vegetables	21%
Dairy Products:	Baked Goods	33%
	Lunches	24%
	Spreads	69%
Alcoholic Beverages:	Wine	51%
	Beer and Ale	38%
	Wine Coolers	28%

Source: Trade Dimensions, 2001

Memphis: The Memphis sub-market is composed of more than 6.8 million people with a median household income of US$32,678. The majority of the population is aged 35 to 44 years old with a proportion of 14%. They are closely followed by the 45 to 54 age group with almost 13% of the population. Three important metro areas encompass this market: Memphis, Little Rock (Arizona), and Jackson (Mississippi). In this market, 72% of the retail centres are chains while more than 27% are independents. Wal Mart Supercentres have the biggest market share in this sub-market with 20%. Kroger is second with 19%, followed by the Fleming Co. Inc. with 12%. Other important players include Jitney Jungle (11%), Supervalu (6%), and Affiliated Foods Southwest Inc. (5%). Distribution centers for these retailers (excluding Wal Mart) supply just over 50 percent of this market as well as over 150 supermarkets in other market areas.

Sales of edible grocery products have been estimated at US$347 million, frozen foods at US$98 million, bakery products at US$38 million, dairy products at US$119 million, deli meats at US$49 million, and alcoholic beverages at US$22 million. Low performing food products in this market include bottled water, dry fruit snacks, isotonics, shelf stable juices and drinks, oriental food, pasta, cottage cheese, yogurt and wine. Low priced traditional foods do well in this market while more exotic foods have a very limited market. Table 9 includes the top performing products for this market.

Table 9. Performance of Top Food Products in the Memphis Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Flour/Meal	80%
	Sugar	78%
	Meat - fresh	77%
	Salad Toppings	59%
	Sauces	58%
	Baby Formula/Electrolytes	56%
	Vegetables	56%
	Evaporated/Condensed Milk	44%
	Frosting	37%
	Baked Beans	34%
	Baking Mixes	31%
	Tomato Products	30%
	Coffee Creamers - shelf stable	30%
	Dip - shelf stable	29%
	Spices/Seasonings	28%
	Dinners	25%
	Carbonated Beverages	24%
Frozen Foods:	Corn on the cob	211%
	Dough	97%
	Pies	96%
	Poultry	54%
	Seafood	40%
	Pizza	34%
	Potatoes/Onions	27%
Dairy Products:	Pickles/Relish	601%
	Dips	154%
	Dough/Biscuit Dough	75%
	Lunches	44%
Deli Meats:	Breakfast Meats	103%
	Dinner Sausage	96%
	Luncheon Meats	70%
	Frankfurters	34%

Source: Trade Dimensions, 2001

Nashville: The Nashville sub-market includes Nashville, Knoxville, Chattanooga, and South Central Kentucky.

Nashville is represented by a sophisticated market infrastructure, while Knoxville and Chattanooga are rural in nature. The population of this sub-market is estimated at 5.3 million people, the majority of which (15%) are in the age category of 35 to 44. The median household income in Nashville is approximately US$34,400. In total, about 82% of supermarkets are chains while close to 18% are independents. The key players in this sub-market are Kroger with 25% of the market followed by Wal Mart Supercentre with 14%, Mid Mountain with 11%, Food Lion with 10%, Bi Lo Inc. with 8%, Fleming Co Inc with 7%, and Supervalu with 6%. Distribution centers for these chains (excluding Wal Mart, Food Lion and Bi Lo) supply under 50 percent of this market. Distribution centers in Charlotte and Birmingham are significant suppliers to the Nashville market area.

Overall, sales of edible grocery products total US$495 million, frozen products total US$128 million, bakery products total US$56 million, dairy products total US$181 million, deli meats total US$56 million, and alcoholic beverages total US$31 million. Low performing food products in this market include Mexican foods, shelf stable juice and drink concentrate, frozen juices, frozen meat, pasta, yogurt, and wine. The top performing products are included in table 10.

Table 10. Performance of Top Food Products in the Nashville Sub-Market

Food Category	Product	Performance (% above average)
Edible Grocery:	Salad Toppings	59%
	Dip - shelf stable	58%
	Baked Beans	48%
	Fresh Meat	47%
	Vegetables	47%
	Flour/Meal	43%
	Sugar	43%
	Pies and Cakes	42%
	Dinners	33%
	Breakfast Food	28%
	Sauces	27%
	Juices - canned - shelf stable	26%
	Baking Mixes	25%
	Coffee Creamers - shelf stable	25%
	Dry Beans/Vegetables	23%
	Frosting	20%
Frozen Foods:	Dough	103%
	Corn on the cob	89%
	Baked Goods	63%
	Pies	44%
	Potatoes/Onions	28%
	Pizza	22%
Dairy Products:	Dough/Biscuit Dough	74%
	Lunches	31%
	Pizza	40%
	Salad Dressing	46%
	Tortilla/Eggroll/Won Ton Wrap	59%
	Pickles/Relish	161%
Deli Meats:	Breakfast Meats	61%
	Luncheon Meats	51%
	Frankfurters	21%

Source: Trade Dimensions, 2001

San Juan, Puerto Rico: The total population of this sub-market is estimated at more than 3.9 million people and more than 1 million households. It includes 321 food stores, of which 305 are supermarkets. Important retailers in this sub-market include A. Cordero Badillo, Inc., which operates 28 stores under the Supermercados Grande name. These are known for offering weekly specials and high/low prices. Annual sales for this retailer have been about US$350 million. Pueblo International, Inc. operates 56 stores and is a division of Pueblo International Inc. of Pompano Beach Florida.

Pueblo, a subsidiary of Cisneros Group, has the largest share of the market in Puerto Rico and is also making its presence felt in the U.S. Virgin Islands. The chain is still feeling the effects of Hurricane George, which hit in 1998, damaging all of its stores. Pueblo is implementing an aggressive remodelling program, fixing eight to ten stores each year, and looking for new store sites for further expansion. Supermercados Amigo, Inc. operates 24 stores under the Amigo store name. Registered shoppers can purchase their goods on-line at the Amigo homepage. Supermercados Amigo runs a high/low pricing program and a customer rewards program similar to that of Harris Teeter. Supermercados Econo, Inc. is another supermarket with high/low pricing promotionals. The company operates 43 stores.

Pricing Strategies

Every day low pricing (EDLP), high/low pricing, and membership rewards pricing are the dominant approaches to pricing in the Southeast U.S. region. EDLP is achieved by eliminating promotions and pricing items at a lower net price. Wal Mart is a leader in this approach through the conversion of purchasing and distribution cost advantages into lower prices for the consumer. The high/low pricing strategy involves a higher list price as well as periodic promotion allowances or high regular prices and low sale prices. Membership rewards pricing is offered to select customers who benefit from special discounts on promotions. Harris Teeter is a leading user of this strategy, which includes gaining market intelligence through customer application forms. This in turn facilitates retailers' ability to target key market segments.

DISTRIBUTION CHANNELS AND MARKET ACCESS CONSIDERATIONS

The U.S. food distribution chain is currently undergoing considerable changes brought about important sales gains by merchandisers and restaurants. These gains have been stimulating the improvement of the supply chain's efficiency. The food processing, distribution and retailing sectors all seek higher levels of productivity and profitability. These changes preceded the trend towards the EDLP pricing strategy as well as the Efficient Consumer Response (ECR). The ECR initiative aims at streamlining and automating the distribution system from the production line to the grocery checkout line to reduce costs for consumers as well as all the players included in the distribution channels. The ECR approach facilitates just-in-time delivery of food products to store shelves to ensure a smooth, continual product flow that matches consumption.

According to Progressive Grocer's 2001 Marketing Guidebook, another important consideration is the B2B supply chain concept of collaborative planning, forecasting, and replenishment (CPFR). This is mostly being promoted by manufacturers, chains, and wholesalers, which view this tool as a means of significantly increasing sales, reduce out-of-stock levels, and streamline the supply chain.

Major Distribution Channels

In the United States, food and beverage products are usually sold through food brokers to wholesalers for resale to supermarkets. Food brokers undertake sales and servicing activities while wholesalers coordinate storage, break shipment, and deliver goods. In addition, some medium-sized and most large food retailers operate their own warehouses and buy directly from food brokers or, occasionally, manufacturers. Perishable goods are often sold directly from manufacturers to wholesalers and occasionally to retail buyers. As a rule, processed food exporters can expect to sell their products through all three food distribution channels: brokers, wholesalers and retailers. Mark-ups within the distribution system vary by product, but average 7% for broker commissions, 10% for wholesalers, and 35% for retailers.

Canadian exporters must first decide whether to sell their products directly to a retailer or through an intermediary such as a trading house, food broker, wholesaler or distributor. Direct sales are usually the most expensive and time-consuming option; however, direct sales often lead to strong relationships with customers. Trading houses, wholesalers and distributors buy goods from vendors and are then responsible for reselling them. Food brokers act as an exporter's local sales force and can generally be divided into private-label brokers, regional brokers and speciality brokers. Brokers do not usually take title to goods, but sell them on the

exporter's behalf to their customers on a commission basis.

Food store formats in the United States vary from conventional supermarkets, superstores and food/pharmacy combos, warehouse club stores, and limited assortment/convenience stores. Other distribution channels include e-commerce, caterers, and restaurants. By pinpointing the exact market exporters want to enter, they can then choose a specialized broker with the appropriate expertise. Table 11 presents the number of stores per sub-market in the Southeast U.S. according to category.

Table 11. Number of Stores According to Category and Sub-Market

Sub-Market	Supermarkets	Convenience Stores	Drug Stores	Mass Merchandisers	Wholesale Clubs
Atlanta	627	2,764	752	437	14
Birmingham	778	3,481	997	765	13
Charlotte	2,079	8,147	2,182	1,671	35
Columbia	660	2,728	657	592	10
Jacksonville	461	2,434	547	446	9
Memphis	963	4,409	1,344	1,139	14
Nashville	854	3,028	945	756	11

Source: Trade Dimensions, 2001

In Florida, the biggest market for Canadian agri-food exports in the Southeast U.S., distributors are the most commonly used method of distribution. The majority of supermarkets in this state purchase products using two channels: 1) buying directly from the source without the added intervention of brokers, agents or middlemen or 2) buying from major wholesalers. New vendor applications are available from all chains by contacting the associated corporate offices. Supermarkets rely on major wholesale companies to supply and merchandise certain products. One of the major suppliers to Publix and Win Dixie is Fine Distributing, headquartered in Fort Lauderdale. Sysco Foods Services of South Florida is another major wholesaler.

Cruise line companies are another important component of the Florida market. In total, ten major cruise lines located in Miami service the Caribbean cruise line industry. These companies may have their own in-house purchasing process through numerous specialized buyers, which represents important opportunities for Canadian specialty food products. Buyers are interested in consistent availability of products and pricing stability when choosing a supplier.

Introducing a New Product

When introducing a new product, exporters should expect to pay slotting fees (also known as listing fees). These fees are common practice in this market, and they can range from US$2,000 to US$10,000, depending on the customer. However, fees can be negotiated. For example, a company may want to provide "free goods" worth US$2,000 that have a production cost value of US$700. Exporters should note that in most cases brokers will not negotiate this fee on their behalf. Additionally, some of the large brokers charge a US$2,000-$3,000 pioneering fee if the brand is not known or if the product is of foreign origin. The fee is an up-front payment positioning the exporter's product at the retail level.

Choosing the Right Food Broker

Choosing the right food broker is crucial for Canadian exporters who want to enter the American market. Because brokers have established long-term relationships with major buyers, they facilitate market entry and introduction of new products while increasing exporters' credibility. Brokers can also resolve problems such as pricing or shipment issues, which are difficult to monitor via long distance.

Most new food exporters choose brokers to sell their products as well as service their accounts. Some of the advantages of using a broker's services include:

- comparatively low start-up and overhead costs (no sales, no costs);
- quick access to an established network of buying contacts;
- a local presence to service clients; and
- the broker's knowledge of both the market and the product's promotional

Networking is the key to finding the broker best suited to your needs. Trade shows are a great setting for such networking, as well as talking with non-competing manufacturers for referrals. These can also be provided by buyers, distributor buyers, salespersons, or retailers. A good evaluation of each broker's company profile, including a face-to-face meeting is recommended before making the final decision.

When seeking the services of a broker, exporters should consider:

- the market segments and customers it serves;
- its reputation within the industry;
- the size of its sales force;
- its product knowledge;
- the number and location of its offices;
- the services it offers;
- the products it currently sells; and
- its interest in the exporter's goods and in those of its competition.

In return, brokers will want to know about your business, including market share and long-term plans for promotion, advertising, shelf placement objectives, prices, and competition, just to name a few elements.

Any written agreement between an exporter and a broker should be prepared by a lawyer and, as a minimum, should cover the following points: territory covered, exclusivity, payment terms, performance criteria, collection of receivables, duration of agreement, and procedures to terminate the agreement. It is important for an exporter to build a close and active working relationship with the chosen broker, so that the exported products are given the necessary exposure.

For information about food brokers in the United States, exporters are encouraged either to seek a retailer's recommendation, to contact a local industry association such as the Association of Sales & Marketing Companies, or to contact the closest Canadian Consulate.

Suggested Business Practices

Although there are many similarities between Canada and the United States, exporters should recognize that doing business in the United States is not the same as in Canada. U.S. customers expect to receive stronger after-sales service and to be supported with incentives and marketing programs. The market is extremely competitive, the pace of business quick, and customer loyalty not always as strong as desired. In general, Canadian food and beverage products enjoy an excellent reputation for quality and value; however, from time to time, they can meet with consumer resistance fueled by periodic surges of "Buy America" sentiment.

OPPORTUNITIES FOR CANADIAN EXPORTERS

Key Success Factors

To ensure success in this market, Canadian exporters need to develop aggressive marketing and pricing

strategies to create market awareness, build brand loyalty, and develop sustainable sales levels. Manufacturers who can facilitate the industry's attempt to provide restaurant quality, reasonably priced ready to eat food will find a market in this region. Product quality and distinctiveness or also important required characteristics of products destined for this market.

Product Opportunities

· ***Fish and Fish Products***

Florida is the largest market for Canadian products in the agriculture and agri-food sector. One of its leading import product categories includes fish and fish products, especially dried or salted fish. These as well as high end gourmet fish products face high demand levels with Florida buyers.

· ***Gourmet Products***

The Caribbean cruise line industry, catered by Florida suppliers, represents a growing market that offers numerous opportunities for Canadian exporters of specialty products. The markets of Central and South America also demonstrate important opportunities for Canadian producers and exporters as they seek products that exhibit a European character.

· ***Fruit Juices***

Fruit juice is the leading product in the beverage category for the State of Florida with a high demand among Caribbean buyers.

· ***Milk Products***

Powdered and condensed milk are also required by Florida and Caribbean buyers.

· ***Pre-packaged Food Products***

Market demand also exists for various types of canned or pre-packaged goods, including vegetables, fruits, and pasta.

· ***Organic Foods***

Organic and health food products are increasingly popular in the U.S. with sales expected to grow in the upcoming years. Whole Foods in the Southeast U.S. is a leading distributor of these products. Please refer to the Agri-Food Trade Service report entitled "The Natural/Organic Food Market in the United States" for more information on this food sector.

· ***Private Label Products***

Private labels present another promising sector for Canadian exporters as U.S. retailers have yet to fully develop their product range. Most major U.S. supermarket chains and wholesalers carry private-label items, an increasingly popular category with value-conscious consumers. From an exporter's perspective, the private-label market can present certain advantages. For instance, many retailers exempt their manufacturers from normal slotting fees and promotional budgets, and assume the responsibility for developing FDA-compliant labels. Since U.S. retailers have only begun to tap into this market, providing private-label products may represent an area of opportunity for Canadian companies. Canadian manufacturers of private-label foods have done an excellent job of establishing themselves in the U.S. market. As a result, Canada has developed a solid reputation as an exceptional source for private-label goods.

Competitive Environment

Local Capabilities

Major competitors for Canadian exporters in this market are other U.S. States. The Southeast U.S. States include a significant agricultural sector that supplies both the local and export market. Notably, Alabama, Georgia, and North Carolina are among the top ten poultry producing States in the country. Alabama is also a big producer of soybean and soybean products. Beef and pork production is an important segment of Georgia's economy, while Florida is a major producer of fruits and vegetables, as well as poultry products. Mississippi has developed a strong aquaculture industry.

International Competition

Florida's key trade partners include Brazil, the Dominican Republic, Japan, and Venezuela. Europe is also a strong competitor in the gourmet food industry of the Southeast U.S. region.

EXPORTING LOGISTICS

Import Regulations and Procedures

In general, food and beverage imports into the United States fall under the jurisdiction of one or more of the following government agencies: the Department of Agriculture (USDA), the Food and Drug Administration (FDA), the Customs Service (USCS), the Bureau of Alcohol, Tobacco and Firearms (ATF), and/or the Fish and Wildlife Service (FWS).

Food Safety and Health Regulations

Food safety regulations are administered by the FDA, except for meat and poultry, which are regulated by the USDA. All food products imported into the United States are required to meet the same health and safety standards as domestic goods, and theyare subject to inspection at the time of entry. Essentially, these products must be pure, wholesome, safe to eat, and produced under sanitary conditions, and they must feature informative and truthful labelling in English. The FDA is also responsible for the oversight of health warnings on beer, wine and spirits.

Organic Food Products

In 2001, the United States Department of Agriculture (USDA) expects to enact its new National Organic Program (NOP). The NOP is intended to replace the individual state regulations and certifying procedures that currently regulate the industry. The new standards will require that all producers, processors, and handlers be certified to handle organic products.

Historically, U.S. manufacturers were not required to list foods that contained genetically altered ingredients on product labels. However, in May 2000, the FDA passed a new regulation that requires such products to be labelled, but only if the modified ingredients change the product itself or its nutritional value.

U.S. national organic standards will not only ensure that products are grown, processed, handled, and sold in a uniform fashion but they will also regulate the labelling of products. Organic foods and beverages will be labelled according to the following criteria:

- products labelled as "100% organic" must contain (not including water and salt) not less than 100% organically produced raw or processed agricultural product;
- products that are simply labelled "organic" must contain not less than 95% organically produced raw or processed agricultural product. Any remaining product ingredients must consist of non-agricultural substances or non-organically produced agricultural products approved in the National List of Allowed and Prohibited Substances;
- products labelled "made with organic (specified ingredients)" must contain at least 50% organically produced agricultural products; and
- products with less than 50% organic ingredients may include the word "organic" only in the list of ingredients.

Products that adhere to the aforementioned regulations will be permitted to use the USDA organic seal.

Imported products may be labelled "organically produced" if the USDA determines that the product has been produced and handled under an organic program that meets or exceeds the requirements of the NOP.

Customs Brokers

Canadian exporters are strongly encouraged to hire a certified customs broker to manage border procedures. Customs brokers are familiar with all information required by the exporter and are able to provide insight on market access issues such as import restrictions based on quotas, health regulations, documentation, labelling and product testing. Customs brokers typically charge exporters on a per-shipment basis. To retain the services of a U.S. customs broker, an exporter must first authorize the brokerage firm (by power of attorney) to file entries on its behalf with U.S. Customs Service (USCS). The Customs Service also requires the exporter to post a bond, usually in an amount equal to the value of the shipment plus duties and fees. Exporters should complete the required documents and forward them in advance to their customs broker, who can then notify USCS of entry and arrange for clearance. The original documents must accompany the shipment and must include the following:

- pro forma invoice;
- bill of lading;
- inward cargo manifest;
- health certificate, as required by the United States Departmen: of

Agriculture (USDA);

- NAFTA certificate (for individual or annual shipments valued at more than (US$2,000).

If a discrepancy is found with the shipment upon entry, a Food and Drug Administration (FDA) or USDA representative will collect a sample for analysis. If the analysis shows that the product is in compliance with U.S. import regulations, the shipment will be released. However, if the analysis reveals a violation, the product will be refused admission. Canadian exporters may then challenge the detention, by proving that the product complies with the law, or may submit an application to recondition the product and bring it into compliance. Specifically, meat and poultry shipments must remain under bond and are subject to recall by the Customs Service until the Food Safety and Inspection Service (FSIS) notifies Customs of the results of the reinspection. If any U.S. requirements are not met, the bond may be forfeited and additional penalties assessed.

Marketing and Labelling

Goods should be properly packed and marked for shipment to reduce the risk of both damage and pilferage. Having goods properly packaged and labelled will also help expidite customs examination. Food samples are

exempt from labelling requirements, but must be marked as samples and shipped in compliance with U.S. import regulations.

FSIS import inspectors check labels on both shipping containers and retail-size packages. All labels require advance approval from FSIS in sketch form. Product labels must be in English and must include:

- name of the product;
- description of the product;
- expiry date and any storage requirements;
- product's country of origin;
- alcohol content, by volume (when applicable);
- manufacturer's lot or batch number;
- nutritional information;
- list of ingredients and weights in metric units; and
- list of additives, preservatives, or colouring used.

Shipping container labels do not need approval; however, they are also checked by the FSIS during inspection at the port of entry.

Duties and Quotas

Canada enjoys free and open access to the U.S. market under the North American Free Trade Agreement (NAFTA) and the World Trade Organization. Essentially, as of January 1998, all bilateral trade in "originating" goods is duty free under the NAFTA; however, trade in some products or products containing ingredients (e.g., sugar and dairy products) may be restricted or prohibited based on tariff quotas. Some agricultural commodities are also subject to inspection fees. A customs broker can help determine a product's harmonized system (HS) classification, as well as any applicable quotas and fees. It is possible to seek a binding classification from U.S. Customs.

Export Documentation and Procedures

Exporters should complete the required documents and forward them in advance by fax to their customs brokers, who can then notify USCS of entry and arrange for clearance. The original documents must accompany the shipment. If, upon entry, a discrepancy is found with the shipment, an FDA or USDA representative will collect the sample for analysis. If the analysis shows that the product is in compliance (with U.S. import regulations), the shipment will be released. However, if the analysis reveals a violation, the product will be refused admission; the exporter may then challenge the detention by proving that the product complies with the law, or may submit an application to have the product reconditions and brought into compliance.

Goods should be properly packed and marked for shipment, both to reduce the risk of damage, pilferage and illegal substance concealment and to expedite customs examination. Food samples are exempt from labelling requirements, but must be marked as samples and shipped in compliance with usual import regulations.

Transportation

Canadian food exports to the United States are shipped via air, rail and truck. The mode of transportation will be determined by the type of product, the cost of freight and its effect on price, and delivery target dates. Transportation insurance against damage, loss or theft can be purchased as an open policy covering all shipments or on a per-shipment basis. American buyers compare the price of a product's cost, insurance and freight (c.i.f.) to a named port of destination (usually known as the landed price) with the prices of competing products. American food distributors and wholesalers prefer to maintain low inventories; suppliers must be able

to provide "just-in-time" delivery. Canadian third-party logistic companies have recently emerged to provide new exporters with one-stop access to distribution services.

Electronic Date Interchange (EDI), which involves the exchange of business documents in a standardized format, is intended to provide greater efficiency among trading partners. Using EDI requires a standard construction format for data, called "transaction sets." The information transmitted from one partner to another can then be checked at both ends of the transmission cycle for accuracy. Although it was not designed with the intention of saving companies money, EDI has nevertheless proven to be less costly than other methods. The main problem with the EDI system is that various trading partners tend to be interested in different pieces of data within the transaction sets. Therefore, for every trading partner, a map must be created to outline which pieces of data each partner wants, and how the requests will differ.

Despite the difficulties, EDI is extraordinarily well matched with the Efficient Foodservice Response (EFR) program in the areas of logistics, foodservice category management, supply-chain demand forecasting, equitable alliances and overall practices by reducing the steps involved. EFR is a joint project sponsored by 13 industry trade associations and was created to help foodservice manufacturers, brokers, distributors, and operators find ways to eliminate an estimated US$14.3 billion in non-value-adding costs from the supply chain.

Transportation to the Southeast market can present some challenges to small and beginning Canadian exporters. Partial loads that cannot be accommodated by load consolidations with other exporters require special planning for warehouse facilities. This can be potentially problematic and costly for exporters.

Methods of Payment

Cash-in-advance and open-account sales are the most common methods of payment. Payments can easily be made by cheque or bank transfer. A buyer's credit rating can be checked with bankers, others suppliers and private credit analysis institutions. The Export Development Corporation (EDC) offers insurance programs to protect Canadian exporters against non-payment by U.S. buyers. Some exporters have found it helpful to maintain a U.S. business address and bank account; however, companies should first consider the legal and tax implications of such an arrangement.

SELECTED CANADIAN FEDERAL EXPORT ASSISTANCE PROGRAMS

. ***New Exporters to Border States*** *(NEBS)* -- is a crash course for small and medium-sized businesses on the essentials of exporting to the United States. It provides practical information, along with first-hand exposure to a nearby marketplace, through a one to three day mission to a U.S. border state (NEBS) or other regional market (EXUS/NEBS*plus*).

· ***WIN Exports*** -- is a database of Canadian exporters and their capabilities, which is used by Trade Commissioners around the world and by Team Canada partners in Canada to match Canadian suppliers to foreign business leads and to share information on trade events.

· ***Program for Export Market Development*** *(PEMD)* -- is a funding program administered by DFAIT to help Canadian companies develop export markets through financial risk sharing. PEMD has four elements: capital projects bidding, trade association activities, market development strategies (MDS), and new-to-exporting companies.

· ***Agri-Food Trade Program*** - is a cost-shared funding program administered by AAFC to help Canadian agri-food industry associations and alliances carry out a wide range of marketing- and trade-related activities. AFTP includes a provision for supporting Canadian company brand promotions abroad on a case-by-case basis, to defend against foreign competitors who benefit from financial support for export marketing from their governments.

· **The Agri-Food Trade Service** (ATS) -- is an international business development service. The service is the agri-food arm of Team Canada Inc (TCI), the overall government network which provides an international business development services to industry. (Regional and other contacts are listed above).

· **AgFITT Program** -- an agri-food specific export training system developed to raise the level of export marketing expertise and to help Canadian agri-food firms become export capable and export-ready. The program, designed by the Forum for International Trade Training (FITT), consists of eight modules and is delivered provincially. Contacts: Regional ATS contacts listed above.

PROMOTIONAL EVENTS

Trade shows are important events that facilitate entry into the lucrative and competitive U.S. food and beverage market. Companies interested in exporting in specific markets can learn about product and market trends and competitors, as well as meet prospective customers. The Canadian government organises official Canadian food pavilions at key shows, which exporters are invited to join. The Government also organises several expositions and other trade promotion events to help introduce Canadian food and beverage exporters to the U.S. market. For more information, contact the Agri-food Trade Service office nearest to you.

Event	Organizer
The 2000 FMI Show (aka FMI's Supermarket Industry Convention & Educational Expo) May 7-8, 2001 McCormick Place, Chicago, IL Largest annual grocery trade show in the U.S. for all types of consumer-ready foods and beverages.	Food Marketing Institute (FMI) 800 Connecticut Avenue NW Washington, DC 20006-2701 Telephone: (202) 429-8444 Facsimile: (202) 429-4519 Internet: http://www.fmi.org
Private Label Trade Show November 11-13, 2001 Rosement Convention Centre Chicago, IL	Private Label Manufacturers' Association 369 Lexington Ave New York, NY 10017 Telephone: (212) 972-3131 Facsimile: (212) 983-1382 Internet: www.PLMA.com
GSFSA Annual Conference April 19-21, 2001 Savannah Trade Center Savannah	Georgia School Food Service Association (GSFSA) 2372 Main St. Tucker, GA 30084 Telephone: 770-934-8890 Fax: (770) 934-8917 e-mail: susan@gsfsa.com Internet: http://www.gsfsa.com/
The Annual Marine Hotel Association Cruise Ship Convention & Trade Show (Canadian National Pavilion at 2001 Show) April 29 - May 1, 2001 Registry Hotel and Resort Naples, Florida	Canadian Consulate in Miami 200 South Biscayne Boulevard Miami, FL 33131 Telephone: (305) 579-1600 Facsimile: (305) 374-6774 E-Mail: miami-td@dfait-maeci.gc.ca
The 2001 Food, Fisheries and Beverage Exposition September 19-20, 2001 Miami Convention Center	Canadian Consulate in Miami 200 South Biscayne Boulevard Miami, FL 33131 Telephone: (305) 579-1600

Miami, Florida	Facsimile: (305) 374-6774 E-Mail: miami-td@dfait-maeci.gc.ca
FOODEX 2001 May 1-2, 2001 Merchandise Mart Charlotte, North Carolina	North Carolina Restaurant Association Post Office Box 6528, Raleigh, North Carolina 27628 Telephone: (919) 782-5022 Fax: (919) 782-7251 E-mail: info@ncra.org.
Florida Restaurant Show July 20-22, 2001 Orange County Convention Center Orlando, Florida	Florida Restaurant Association 230 South Adams Street Tallahassee, FL 32301 Telephone: 888-372-5556 Facsimile: (850) 224-9213 E-mail: aetre2@reedexpo.com. Internet: http://www.fraexpo.com
American Convention of Meat Processors July 26, 29, 2001 Nashville, Tennessee	American Association of Meat Processors P.O. Box 269 Elizabethtown, PA 17022 Telephone: (717) 367-1168 Fax: (717) 367-9096 E-mail: aamp@aamp.com Internet: http://www.aamp.com/conv.html
Florida Int'l Restaurant/Hotel & Bakery Expo August 15-16, 2001 Miami Beach Convention Center Miami, Florida	Florida International Restaurant and Hotel Expo 3354 Seventeenth Street Sarasota, FL 34235 Telephone: (941) 366-2554 Fax: (941) 366-9861 E-mail: fimee@aol.com Internet: http://www.firhe.com/
Tennessee Foodservice Exposition & Trade Show October 14-15, 2001 Nashville Convention Center Nashville, Tennessee	Tennessee Restaurant Association 1224 A Lakeview Drive P.O. Box 681207 Franklin, TN 37068-1207 Telephone: (615)790-2703 Fax (615)790-2768 Internet: http://www.thetra.com/
Southeastern Restaurant & Foodservice Show October 21-23, 2001 Cobb Galleria Centre Atlanta, Georgia	Georgia Hospitality and Travel Association Telephone: (404) 873-4482 Internet: http://www.ghta.com/
The 4th Annual Americas Food & Beverage Expo November 29-30, 2001 Miami Beach Convention Centre Miami Beach, Florida	World Trade Centre Miami 777 NW 72 Ave., Suite 3B865 Miami, FL 33126-3009 Telephone: (305) 871-7910 Fax: (305) 871-7904 E-mail: info@worldtrade.org Internet: http://www.worldtrade.org/food/default.htm

SOHO Expo November 30 - December 2, 2001 Orange County Convention Center Orlando, Florida	National Nutritional Foods Association Southeast Region, Inc. 5445 James Street New Port Richey, FL 34652 Telephone: 1-800-828-7250 or (727) 846-0320 Facsimile: (727) 848-7654 E-mail: nnfase@gte.net Internet: http://www.nnfase.org/soho/
Summer Fancy Food Show July 8-10 Jacob K. Javits Center New York, NY	National Association for the Specialty Food Trade Telephone: (212) 482-6440, ext. 119 E-mail: attendinginfo@fancyfoodshows.com. Internet: http://www.fancyfoodshows.com/ exhibit/qual.html
Winter Fancy Food Show January 20-22, 2002 Moscone Convention Center San Francisco, CA	National Association for the Specialty Food Trade Telephone: (212) 482-6440, ext. 119 E-mail: attendinginfo@fancyfoodshows.com. Internet: http://www.fancyfoodshows.com/ exhibit/qual.html
All Things Organic Conference and Trade Show May 17-20, 2001 Austin, Texas	Organic Trade Association Eurich Management Services 3721 W. Michigan Ave., Suite 200, Lansing, MI 48917 Telephone: (517) 327-9207 Facsimile: (517) 321-0495 Internet: http://www.ota.com/
Natural Products East Expo October 12-14 Washington Convention Center Washington, DC The 2001 Canadian Food, Fisheries & Beverage Exposition Miami September 19-20, 2001 Hyatt Regency, Miami	Natural Products Expo Telephone: (303) 939-8440 Internet: www.naturalproductsexpo.com Contact: Judith Harvey Manley Voice Mail 954-401-0387 Telephone Number 702-838-6056 E-Mail: judy@bigplanet.com Consulate Office: Margaret Cullen Telephone Number 305 579-1612 E-Mail: margaret.cullen@dfait-maeci.gc.ca

KEY CONTACTS

CANADIAN GOVERNMENT AGENCIES
Agriculture and Agri-Food Canada
Agri-Food Trade Service regional contacts:

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Dan Wuerch
Winnipeg
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Brenda McIntyre
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Frank Webster
Guelph
Tel.: (519) 837-5854

Brenda Patton
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Robert Bouchard
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Tel.: (514) 283-3815

Bernard Mallet
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Tel.: (506) 452-3732

Janet Steele
Halifax
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Chris Pharo
Charlottetown
Tel.: (902) 566-7310

Al McIsaac
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Agriculture and Agri-Food Canada
International Markets Bureau
10th Floor, Sir John Carling Building
Ottawa, ON K1A 0C5
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Email: jackb@em.agr.ca
Internet: http://ats.agr.ca

Canadian Commercial Corporation (CCC)
Metropolitan Centre
50 O'Connor St., 11th Floor
Ottawa, ON K1A 0S6
Tel.: 1-800-748-8191 or (613) 996-0034
Fax: (613) 995-2121
E-mail: info@ccc.ca
Internet: http://www.ccc.ca

Canadian Food Inspection Agency (CFIA)
59 Camelot Dr.
Nepean, ON K1A 0Y9
Tel.: (613) 225-2342
Fax: (613) 228-6653
E-mail: cfiamaster@em.agr.ca

Business Development Bank of Canada
Headquarters - 280 Albert Street, 3rd Floor
Ottawa, ON K1P 5G8
Telephone: 1-888-INFO-BDC
Facsimile: (613) 995-9045
Internet: http://www.bdc.ca

Department of Foreign Affairs and International Trade
125 Sussex Drive (UTO)
Ottawa, ON K1A 0G2
Internet: http://www.dfait-maeci.gc.ca

Authentication and Service of Documents (JLAC)
Tel.: (613) 992-6602
Fax: (613) 992-2467

Market Support Division (TCM)
Tel.: (613) 995-1773
Fax: (613) 943-1103

Tariffs and Market Access Division (EAT)
Tel.: (613) 992-2177
Fax: (613) 992-6002 or (613) 944-4840

U.S. Business Development Division (UTO)
Tel.: (613) 944-5912
Fax: (613) 944-9119

Export Development Corporation (EDC)
151 O'Connor St.
Ottawa, ON K1A 1K3
Tel.: 1-800-850-9626 or (613) 598-2500
Fax: (613) 598-6697
E-mail: export@edc4.edc.ca
Internet: http://www.edc.ca

CANADIAN GOVERNMENT CONTACTS IN THE UNITED STATES

Canadian Consulate General - Atlanta
1175 Peachtree St. N.E.
1700 - 100 Colony Square
Atlanta, GA 30361-6205
Contact: Carl Rockburne
Tel.: (404) 532-2000
Fax: (404) 532-2050
E-mail: carl.rockburne@dfait-maeci.gc.ca

Canadian Consulate - Miami
15 Fl, First Union Financial Center
200 South Biscayne Blvd.
Miami, FL 33133
Tony Knill, Senior Trade Officer
Contact: Margaret Cullen
Tel: (305) 579-1600
Fax: (305) 374-6774
E-mail: margaret.cullen@dfait-maeci.gc.ca

EXPORT-ORIENTED CANADIAN FOOD INDUSTRY ASSOCIATIONS

Quebec Agri-Food Export Club
200 MacDonald Street, Suite 102
St. Jean-sur-Richelieu, PQ J3B 8J6
Telephone: (514) 349-1521
Facsimile: (514) 349-6923
Internet: http://www.profil-cdi.qc.ca

Canadian Food Exporters Association
885 Don Mills Road, Suite 301
Don Mills, ON M3C 1V9
Telephone: (416) 445-3747 or 1-888-227-8848
Facsimile: (416) 510-8044

Food Beverage Canada
17311 - 1023rd Avenue, suite 201
Edmonton, AB T5S 1E5
Telephone: (780) 486-9679 or 1-800-493-9767
Facsimile: (780) 486-0985
Internet: http://www.foodbeveragecanada.com

Alliance of Manufacturers and Exporters of Canada
75 International Boulevard, Suite 400
Toronto, ON M9W 6L9
Telephone: (416) 798-8000
Facsimile: (416) 798-8050
Internet: http://www.palantir.ca/the-alliance/default.html

U.S. GOVERNMENT AGENCIES

U.S. Department of Agriculture (USDA)
1301 New York Avenue N.W.
Washington, D.C. 20005
Telephone: (202) 219-0515
Facsimile: (202) 219-0112
Internet: http://www.usda.gov

U.S. Department of Health and Human Services
Food and Drug Administration (FDA)
5600 Fishers Lane
Rockville, MD 20857
Telephone: (301) 443-4480
Facsimile: (301) 443-0335
Internet: http://www.fda.gov

U.S Department of the Interior
Fish and Wildlife Service (FWS)
1849 C Street N.W.
Washington, D.C. 20240
Telephone: (202) 208-3100
Facsimile: (202) 208-5048
Internet: http://www.fws.gov

U.S. Department of Agriculture (USDA)
Food Safety and Inspection Service (FSIS)
Room 1175, South Building
400 Independence Avenue S.W.
Washington, D.C. 20250
Telephone: (202) 720-7943
Facsimile: (202) 720-1843
Internet: http://www.fsis.usda.gov

U.S. Department of the Treasury
U.S. Customs Service (USCS)
1300 Pennsylvania Avenue N.W.
Washington, D.C. 20229
Telephone: (202) 927-6724
Facsimile: (202) 927-1393
Internet: http://www.customs.ustreas.gov

U.S. Department of the Treasury
Bureau of Alcohol, Tobacco & Firearms (ATF)
650 Massachusetts Avenue NW
Washington, D.C. 20226
Telephone: (202) 927-7777
Facsimile: (202) 927-8605
Internet: http://www.atf.treas.gov

U.S. FOOD INDUSTRY ASSOCIATIONS

Food Marketing Institute
800 Connecticut Avenue N.W.
Washington, D.C. 20006-2701
Telephone: (202) 429-8444
Facsimile: (202) 429-4519
Internet: http://www.fmi.org

National Grocers Association
1825 Samuel Morse Drive
Reston, VA 20190
Telephone: (703) 437-5300
Facsimile: (703) 437-7768

National Association of Convenience Stores
1605 King Street
Alexandria, VA 22314-2792
Telephone: (703) 684-3600
Facsimile: (703) 836-4564
Internet: http://www.cstorecentral.com

National Food Distributors Association
401 North Michigan Avenue, Suite 2200
Chicago, IL 60611-4267
Telephone: (312) 644-6610
Facsimile: (312) 527-6783
Internet: http://www.specialtyfoods.org

Association of Sales & Marketing Companies
2100 Reston Parkway, Suite 400
Reston, VA 20191-1218
Telephone: (703) 758-7790
Facsimile: (703) 758-7787
Internet: http://www.asmc.org
Notes: Formerly the National Food Brokers Association and the International Foodservice Brokers Association.

Food Distributors International
201 Park Washington Court
Falls Church, VA 22046-4521
Telephone: (703) 532-9400
Facsimile: (703) 538-4673
Internet: http://www.fdi.org
Notes: Formerly the National American Wholesale Grocers Association and the International Foodservice Distributors Association.

Manufacturers' Agents National Association
23016 Mill Creek Road, P.O. Box 3467
Laguna Hills, CA 92654-3467
Telephone: (949) 859-4040
Facsimile: (949) 855-2973
Internet: http://www.manaonline.org

American Wholesale Marketers Association
1128 Sixteenth Street NW
Washington, D.C. 20036
Telephone: (202) 463-2124
Facsimile: (202) 463-6312
Internet: http://www.awmanet.org

National Association for Retail Merchandising Services
P.O. Box 906
Plover, WI 54467-0906
Telephone: (715) 342-0948
Facsimile: (715) 342-1943
Internet: http://www.narms.com

American Institute of Food Distribution Inc.
(aka The Food Institute)
12 Broadway, Suite 28
Fairlawn, NJ 07140-0972
Telephone: (201) 791-5570
Facsimile: (201) 791-5222
Internet: http://www.foodinstitute.com

Uniform Code Council Inc.
8163 Old Yankee Road, Suite J
Dayton, OH 45458
Telephone: (513) 435-3870

Northwest Food Processors Association
6950 SW Hampton Street, Suite 340
Portland, OR 97223
Telephone: (503) 639-7676
Facsimile: (503) 639-7007
Internet: http://www.nwfpa.org

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Consulate General of Canada, Atlanta, Georgia, *The Retail Grocery Industry in the Southeastern U.S.*, 2001.

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Trade Dimensions, *2001 Market Scope: The Desktop Guide to Supermarket Share*, 2000.

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U.S. Department of Commerce, *Current Population Reports: Population Projections*, 1997.

OTHER REFERENCE MATERIAL

Useful Internet Sites

InfoExport	http://www.infoexport.gc.ca
ExportSource	http://www.exportsource.gc.ca
Agri-Food Trade Service	http://ats.agr.ca
Strategis	http://www.strategis.ic.gc.ca
DFAIT web site	http://www.dfait-maeci.gc.ca
Canadian Food Trade Alliance	http://www.cfta.ca
FoodNet	http://www.foodnet.com
The U.S. Trade Center	http://www.ustradecenter.com
FedStats (U.S. government)	http://www.fedstats.gov
Thomas Food Industry Register	http://www.tfir.com
The Food Institute	http://www.foodinstitute.com
FoodIndustry	http://www.foodindustry.com
Progressive Grocer	http://www.progressivegrocer.com
Supermarket Business	http://www.supermarketbusiness.com
Supermarket News	http://www.supermarketnews.com
Trade Show Central	http://www.tscentral.com
Trade Show News Network	http://tsnn.com

1. "Top performers" should be regarded as only one indicator of market opportunities. Other factors should be considered in identifying opportunities for Canadian exports.

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